EXHIBIT Z

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

ADVANCEME, INC., Plaintiff, vs. RAPIDPAY LLC, BUSINESS CAPITAL CORPORATION, FIRST FUNDS LLC, MERCHANT MONEY TREE, INC., REACH FINANCIAL, LLC and FAST TRANSACT, INC. d/b/a SIMPLE CASH, Defendants.	)	Civil Action No. 6:05-cv-424-LED-JDL
ADVANCEME, INC., Plaintiff, vs. AMERIMERCHANT, LLC, Defendant.	)	Civil Action No. 6:06-cv-82-LED

Deposition of LEE SUCKOW, taken before JAIME T. TRAMONTANA, C.S.R., and Notary Public, pursuant to the Federal Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, at Suite 1500, 230 West Monroe Street, in the City of Chicago, Cook County, Illinois at 9:15 a.m. on the 4th day of October, 2006.

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transaction again and then they would close it out for the final number.

Q And does the --

A The number would vary depending on the tip.

Q Does the terminal if -- then transmit that information to Diners Club?

A Yes.

Q There is not a separate --

A No.

Q -- piece of equipment --

A Same piece of equipment and that's how you get your final bill.

Q Okay. After Diners Club approves the transaction, if it is a LeCARD Diners Club card holder that -- that's just made a purchase at the restaurant what -- what does Diners Club do then with the payment amount?

A They would credit the -- let's -- can I use an example of a $100 transaction. If it was $100 in food and drink and let's make it for simplicity purposes $8 tax, so the bill would go to -- the charge would go to the customer -- the charge would say $108 and the customer let's say puts for simplicity purposes $17 tip on so the total charge

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they sign for $125. All right.

For the card member what would happen is when they'd get their statement from Diners they would see that it was $125 charge in let's say Nick's

Fish Market and right below it on the next line would say LeCARD savings $25. So the net that they would pay to Diners Club would be $100.

What would happen to the funding side of it is Diners Club would take -- from that $125 they would take and deduct $25 off that they gave the card member. Okay? And then they would deposit into our bank account $92.

Q Okay. So they deduct out the $25 savings and then what accounts for the difference -- that gets me down to $100. What accounts for the difference between the 100 and the 92?

A Diners' normal processing fee was 2.9 percent. It could vary. It could be 3.5. I mean it depended on accounts, but just say a 2.9 percent fee for the transactions -- like all credit cards change fees. They're -- they're -- they've increased them -- you heard about the big settlement of fees, but right now you look at your credit card fees are running around -- including

or stop and make a copy --
A I have -- I have two copies.
MS. PRESTON: Can I introduce this as Exhibit 6?
(Exhibit 6 marked as requested.)

MS. PRESTON: Q What did Mr. Matz say to you, if you remember, during -- in the phone call that called he made?
A They wanted to hire me as an expert witness, and I said at what rate, and they said at your normal rate, and I said that's not your rate, and I said, you know, send me something in writing, and then they sent me this and it was at $400 an hour and my normal rate is $1200 an hour so.
Q Did you speak with them again after you received the letter?
A They called but I did not call back.
Q And?
A They left a voicemail.
Q And I take it that you decided not to pursue that engagement?
A No.
Q Okay.
A That is correct.
Q Did they ever -- Robert Matz or anyone else

don't batch out that often.

Q Okay. So when --

A So when they did the batch out, that is for your batch out date.

Q So a summary of the information from the batch out would be sent from the restaurant to Diners Club?

A Electronically.

Q Electronically. Okay.

A And so they would have this summary so then when the statement would come in they could match it up for your bookkeeping, for audit trail.

Q Okay. And then if you go down to the next paragraph the first sentence states, this summary included credit slash charges which could not be processed.

A Yes, right, because this is a form letter. You would have rejections from an unauthorized card, it was a bad card or something. This is a form letter and they had all these different reasons -- reason number 22 was LeCARD, but there was obviously 21 other reasons that you couldn't get paid.

Q Okay. What I'm trying to figure out is --

A The card member disputed the charge.

Q If -- if Diners Club was the company doing the processing of the LeCARD transactions, then why was this form sent telling Chicago Chop House that the $100 charge couldn't be processed?

A Because we were not so much as a flea on a -- flea on a dog's rear to try and get Citibank to change a form. This was a big deal to get 22 on it. If you get them to change that other copy, dream on. They weren't going to have that.

Q Okay --

A In other words, this form exists today --

Q Okay.

A -- without reason number 22.

Q Okay. So when it says that the summary could not be processed, you're saying that isn't accurate?

A No. It's a polite way of saying we're not paying you. That's what -- in essence what it was.

Q Okay. And if you go down under the heading explanation of reasons --

A Uh-huh.

Q -- it says this is a LeCARD charge. LeCARD will settle directly with you. What did it mean when it said LeCARD will settle directly with you?

A That's exactly what we did. We gave them

80 percent credit items, advertising or cash balance, 20 percent tax and tip reimbursement.

Q Okay. If you can go to the next page, LC 00005? All right. I think you referenced earlier

that this document would be a document sent directly from Diners Club to their Chicago Chop House, is that correct?

A Uh-huh.

Q And the second sentence states, their transactions -- must be a misprint, their transactions were not paid by Diners Club and were referred to LeCARD for payment. Okay. When it says transactions were not paid by Diners Club, is that accurate?

A Yes.

Q Okay. And that's referring to the fact that the transactions were not paid to Chicago Chop House by Diners Club?

A That's correct.

Q Okay. I'm going to go back to your Exhibit No. 8. This was your secondhand written --

MS. PRESTON: I think he has made some alterations on his.

MR. EDELMAN: Q I think you changed that to $40, A Okay. They're giving you credit and if you pay that bill on time and there are no other charges, the only money that they make on you is that interchange fee that they're charging, the processing fee.

Q And I'm sorry if I'm being simplistic about this but --

A No.

Q -- I just want to make it clear on the record. When would in the cycle Diners Club actually see the --

A Money?

Q -- money?

A Depending on -- in -- in theory with that 59-day pay, and if this guy did it on his first day of the new cycle, he'd have 30 days until he got sent a bill and then he's have another 59 days so they might not have been paid for 89 days. At a minimum if could have been -- if the guy paid his bill the day he got it and it was the last day of the charge, an invoice went out, it could be as little as a week.

Q Okay. So, again, trying to be just simplistic about this, but when Diners Club is send -- when you say is sending the $73 to

Clever Ideas --
A They're taking it out of their pocket, their line of credit.
Q All right. Now, when did the LeCARD program end?

A It's a very good question that I can't give you an -- it's sort of did not end like a -- like that. It kind of petered out because Diners Club, what happened is they became a MasterCard -- Citibank flipped them to a MasterCard and they started rolling out cards like about I think January of '05. So you had fewer and fewer -- a Diners Club card now shows up as a MasterCard on your processing statement.
Q Does Clever Ideas still have an agreement with Diners Club?
A No, that -- we -- we had litigation with them and had a settlement.
Q Now currently -- does Clever Ideas provide cash or advertising advances to restaurants?
A Yes.
Q And how currently does Clever Ideas get paid back? What is the --
A We have a variety of methods.
Q Okay.

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A Is that relevant to this case?
Q Yes.
A Would you explain the relevance?
Q I don't think I'm required to --

A I don't think I'm required to answer it now because that is not what this is about.
Q Well, does Clever Ideas currently get paid back by taking a fixed percentage of Visa or MasterCard sales?
A Yes.
Q And when did Clever Ideas start that pay back mechanism?
A Maybe '94, '93.
Q Clever Ideas -- does Clever Ideas' website currently describe that's one of the pay back mechanisms that Clever Ideas can do?
A I think we just talk about -- I don't know if we go into all the different ways. We just say we can custom design programs for you. I can take -- I can receive payment back about five different or six different ways.
Q It -- it -- it -- what are the advantages of taking a fixed percentage of the MasterCard sales for Clever Ideas as opposed to doing it the way it was

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done the LeCARD program?

MS. PRESTON: Mike, how is that relevant to what we're talking about --

THE WITNESS: It's no different. Answering your question. It's no different. And the key reason that you take the sales is you take it -- you're in front the money.

MR. EDELMAN: Q Right. Well, in the LeCARD program, did Clever Ideas set some sort of small fixed percentage of -- of all the Diners Club sales that would be diverted to pay back advances, or did it just take basically the entire transaction?

A Could you restate that, please?

Q Well, isn't there a difference between having your advances repaid by basically capturing the entire food and drink portion of a LeCARD charge as opposed to only diverting some small percentage of each LeCARD transaction? There are two different mechanisms?

A Well, not really. One is just -- you mean by taking a partial payment? We always took 100 percent of the Diners. We didn't take a portion of the Diner.

Q Right. You took 100 percent of the Diners as

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opposed to some small fixed percentage, correct?

A Right.

Q Okay. And are there benefits to taking 100 percent as opposed to a small fixed percentage?

A You can only take 100 percent of a small -- you can only do Diners and Discover that way. You can't -- you can't take AMEX or MasterCard or Visa. You'd kill them.

Q Why -- why's that? Why would you kill them?

A There's only so much cash flow you can take from a restaurant. I mean, it's their livelihood. Do you understand?

Q Right. And that's why the taking the 100 percent was more difficult for the restaurant than taking the small fixed percentage of the credit card sales?

A No, the reverse. No. I'm saying Diners -- if I took all of somebody's Diners business --

Q Right.

A -- it might be 3 percent. Rewards Network might take 15 percent of a restaurant's business. That's pushing up there and getting tight on them.

Q Well --

A It's free cash flow.

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Q -- what I'm trying to understand is why in the Diners Club program did you basically take --

A All of it.

Q -- all of it whereas in the Visa or MasterCard you were taking some small fixed percentage?

MS. PRESTON: Mike, I have to object. That mischaracterizes his testimony. He didn't say he takes the whole transaction amount from Diners Club --

THE WITNESS: Yeah, I did. I said I took the whole transaction --

MS. PRESTON: Okay.

MR. EDELMAN: Q I mean, why was there a different pay back method with those two?

A Okay. What part of percentages do you not understand? If I take 100 percent, 3 percent, how much am I taking of a restaurant's volume? Right? I can only take three percent, correct?

Q So you're saying because the Visa and MasterCard sales were more prevalent than the Diners Club sales --

A And American Express.

Q Before you were contacted in this litigation

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MR. EDELMAN: Q Did --

A Now you're asking me to conjecture why he brought it up --

Q Well, did you discuss during this conversation how litigation might effect Clever Ideas in any way?

A (Nodding).

Q Is that a no? I'm just following Hillary's appropriate instruction --

A No.

Q -- because that doesn't show up on the record --

A Not that I recall.

Q And how many different communications did you have with Mr. Goldin?

A I think I told you about a dozen. It really hasn't changed in the last couple of minutes.

Q And what did Mr. Goldin tell you during these communications about the litigation?

A That they were getting together a group to fight this thing and did I have anything proving weren't you doing this, and I said, yeah. I mean, like how could they get a patent on something I have been doing --

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Q Okay. But how did you know whether we got a patent on something you were doing if you didn't read the patent?

A He told me.

Q Okay. So Mr. Goldin described to you the patented process?

A Right.

Q Okay. And based on Mr. Goldin's description of the patented process it sounded like something that you would have been doing?

A Yeah.

Q Did Mr. Goldin offer to send you the patent?

A I think he might have.

Q He e-mailed you the patent?

A No, he might have offered to send it to me, but I had no interest. I don't have a dog in the fight.

Q Did -- what else did Mr. Goldin tell you during these dozen communications?

A That they were going to get a group of people that were in similar businesses to fight this thing legally and I think he told me that Rapid Pay had gone out of business and he asked if he could get copies of stuff from us, you know, that detailed how long ago we were doing things and I know my assistant provided that to him.

Q Okay. And of the documents we marked today are there documents that you provided to Mr. Goldin?

A Yes.

Q Do you recall where those documents were found? Were they in a warehouse somewhere?

A You would have to ask my assistant that. I don't know if there was a --

Q Did Mr. --

A We have storage in our building but I don't -- we don't have an off-site warehouse.

Q Did Mr. Goldin ask you whether you wanted to join the group of defendants?

A Not of the defendants but of the group for like a cooperative of sharing credit information of some of these guys that take money and don't pay and things like that.

Q What documents did Mr. Goldin ask you for? Did he give you a description of what he was looking for?

A Anything describing that what we were doing, where the revenue was being split, prior to 1996.

Q Okay. And did he mean the revenue being split by Clever Ideas or by Diners Club or by --

MS. PRESTON: Objection.

THE WITNESS: I don't know. He just asked for -- I just said here is how we do the business and how we have been doing it.

MR. EDELMAN: Q What documents did you provide to Mr. Goldin?

A None.

Q Your assistant provided to Mr. Goldin.

A You saw them.

Q Were there any documents that --

A I don't know. I'm going to answer that question -- that were not shown or presented that I provided? Is that the question?

Q Right.

A I don't know. Okay. I was out of town.

Q How long ago were the documents provided to the defense, do you recall?

A No.

Q Was it in the spring, in the summer?

A It's been a busy year. I really don't know.

Q You said you were out of town when the documents were gathered. Can you -- can you peg roughly --

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STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

JAIME T. TRAMONTANA being first duly sworn, deposes and says that she is a Certified Shorthand Reporter in Cook County, Illinois, and reporting proceedings in the Courts in said County;

That she reported in shorthand and thereafter transcribed the foregoing proceedings;

That the within and foregoing transcript is true, accurate and complete and contains all the evidence which was received in the proceedings had upon the above entitled cause.

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